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FAIR TRADE: THE SUCCESSES AND FAILURES AS SEEN THROUGH THE SUSTAINABLE
DEVELOPMENT GOALS

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Helpful Acronyms

ATO - Alternative Trade Organization
 FLO - Fairtrade Labeling Organization
 FMP - Fairtrade Minimum Price
 FP - Fairtrade Premium
 IFAT - World's Leading Trade Fair for Water, Sewage, Waste and Raw Materials Management
 MDG - Millennium Development Goals
 NGO - Non-governmental Organization
 SDG - Sustainable Development Goal
 TNC - Transnational Corporations
 UN - United Nations
 WFTO - World Fair Trade Organization

Introduction

In the spring of 2020 I had the privilege of spending several months in Costa Rica as a study abroad student. One of my courses at the Universidad de Veritas examined environmental policy in Costa Rica. We discussed the many ways Costa Rica leads Central America in the field of sustainable development. During the course, I visited a coffee farm that grew, marketed, and sold fair trade coffee. From this encounter, my interest in the harmony of fair trade and the sustainability movement was sparked. I began to question the effectiveness of the fair trade movement as I observed first-hand the experiences of Southern producers.

One metric of sustainability we discussed at length in Costa Rica was the 17 Sustainable Development Goals from the United Nations (UN). These 17 goals are the result of decades of work in the international community to describe, define, and distill sustainable development on the global stage. The first international summit on these issues occurred in 1992 at the UN Conference on the Environment and Development in Rio de Janeiro. This global meeting produced the Millenium Development Goals (MDGs), eight goals codifying the past two decades of conversation on sustainable development. These eight goals later evolved in 2005 to include targets and indicators, ranging from HIV/AIDS treatment to biodiversity and employment opportunities.

At the same time, alternative trade groups were organizing, systematizing, and labeling their efforts. Alternative trade organizations, seeking to encourage equitable exchange of food and products between Northern consumers and Southern producers, began to develop in the United States (U.S.) and Europe. Fair trade was born out of the idea that farmers and producers should receive full compensation for their work. As international fair trade opportunities expanded, the UN introduced a reinvention of the MDGs, “Transforming our World: the 2030 Agenda for Sustainable Development,” rolling out the 17 Sustainable Development Goals (SDGs). These new SDGs had 169 targets and added recommendations, demonstrating a more comprehensive understanding of sustainable development in global civil society. Improving the quality of life for people around the world has brought about global advocacy and collaboration, and has been central to sustainable development and the 17 SDGs. The fair trade movement is an example of a market-based approach aimed to address poverty and economic equalities in our globalized world.

In this paper I seek to understand fair trade as a social movement and the relationship of fair trade to the SDGs. I will look at the history of the fair trade movement in the context of alternative trade organizations and the sustainability movement during the precipitous rise and stature of nongovernmental organizations (NGOs) in the 1990s. I will analyze the growth and scalability of fair trade in the U.S. since 2015 through three of the 17 Sustainable Development Goals: SDG 1: Ending Poverty; SDG 5: Gender Equality; and SDG 12: Responsible Consumption and Production. Using the indicators and targets detailed by the United Nations Department of Economic and Social Affairs, I will utilize primary and secondary research to measure fair trade's alignment and effectiveness as an instrument of sustainable development.

Research Question

The alternative trade movement is made up of several NGOs seeking to address the inequities of globalization. Fair trade has been an active member of this movement. My central research question is: Has the fair trade movement effectively scaled up its activities vis-a-vis the 17 Sustainable Development Goals? I will argue that fair trade as a social movement has grown exponentially and, in the process, has struggled to maintain its core values and principles with a growing number of stakeholders. I will argue that while fair trade remains a means of mitigating the harmful effects of unchecked global capitalism, in important ways it has adopted the same practices it sought to remedy. I examine how fair trade organizations use the 17 SDGs as a means of demonstrating commitment to sustainable development; however, at the same time, these organizations should avoid adopting consumption-driven marketing policies in lieu of genuine commitment to sustainable development.

I will evaluate fair trade organizations' commitment to sustainable development by fair trade organizations through three case studies as follows: With SDG 1 (Ending Poverty), I will analyze how the cost of participating in the fair trade market burdens the producer and may not effectively fight poverty. I will also maintain that while fair trade organizations accomplish many positive outcomes regarding SDG 5 (Gender Equality), the means of measurement need to be better tested and developed. Finally, I will argue that fair trade's advocacy work has not sufficiently met SDG 12 of responsible consumption and production. The fair trade movement has sought to operate in the capitalistic market system, where the largest benefits of the

movement are felt by the Northern consumer rather than the Southern producer. Therefore, fair trade should focus resources on what Southern producers need to maintain sustainability rather than on marketing products to Northern consumers.

This qualitative analysis is meant to explore the origins and expansion of the fair trade movement, which has ultimately grown to become a familiar concept and brand for consumers. The main research method employed in this paper is a case study analysis of primary sources; specifically, I will examine fair trade communications, UN resolutions, and comments on the SDGs as well as provide a critique of the fair trade model via the SDGs.

Background

A phenomenon described as a “global associational revolution” contextualizes the fair trade movement within the rise of NGOs (Salaman 1994, 109). The fall of authoritarian regimes in the following decade provided another opportunity for increased partnerships across the globe (Ahmed and Potter 2013, 24). In 1946 NGOs were first mentioned in the United Nations Charter. In addition to shifts in power away from central governments to actors in society, the increase of global communications allowed people to share information, resources, and data. Salaman notes that global economic growth in the 1960s and 1970s created wealth for many (1994, 113). With the post-materialism in post-war U.S., many became interested in human rights, environmental protection, and citizen empowerment (Salaman 1994, 109). Fair trade was an answer to all of these concerns.

In 1946, Edna Ruth Byler started a women’s sewing group in Puerto Rico (Bondarenko 2018). She began selling the crafts to her friends in the U.S. Sixteen years later, the project was adopted by the Mennonite Central Community and in 1996 was renamed Ten Thousand Villages. This was one of the first recorded fair trade models from the faith-based community. Around the same time in South America, the Church of Brethren established SERRV (Sales Exchange for Refugee Rehabilitation and Vocations) (Bondarenko 2018). An official fair trade shop was opened in 1958 in the U.S., where goods from SERRV and other organizations were sold.

The World Fair Trade Organization (WFTO) defines fair trade as “a trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade” (WFTO 2020). It elaborates on fair trade by describing its contributions to sustainable

development and its focus on the human rights of farmers, producers, and workers in the Global South. Andy Redfern and Peter Snedker add to this definition by noting fair trade's mission to uplift the disadvantaged worker, especially women and indigenous people as well as "to campaign for changes in the rules and practice of conventional international trade" (2002, 11).

Fair trade recognizes the producer in a way often avoided or neglected by corporations (Moore 2004, 14). The fair trade model is meant to protect Global South producers from price fluctuations dictated by Global North markets. This is often accomplished by including a pre-financing agreement between the producers and consumers of 50% to 60% of the final value (Moore 2004, 7). In addition to the market specifications, fair trade organizations also partner with producers through a fund called the Fair Trade Premium. The premium allows wealth to be distributed to the producers' community by means of schools, community centers, and food access. Unlike foreign aid, the Fair Trade Premium is received through an equitable, long-term business partnership and is a pillar of the fair trade model.

The fair trade movement can be viewed as a "new globalization... being developed through counter-hegemonic networks" that seek to reshape the patterns of international trade and the processes of corporate expansion in the global economy that have historically undermined ecological and social conditions around the world (Raynolds, Murray, Wilkinson 2007, 6). Some understand fair trade as an emerging response to the negative effects of contemporary globalization, and particularly to the often unjust and "inequitable nature of contemporary international trade" (Raynolds, Murray, Wilkinson 2007, 7). Moreover, Raynolds, Murray and Wilkinsons argue that, "Fair trade seeks to direct globalization's transformative powers toward the creation of greater social equity on a global scale" (2007, 4).

Ana Cristina Ribeiro-Duthie, Fred Gale, and Hannah Murphy-Gregory point out the social movement quality of fair trade (2019). Rather than merely being an economic model, fair trade is fueled by attitudes in purchasing and consumer behavior. The cycle of producers receiving equitable wages rests on consumers being willing to pay more than the market price for a product marketed as ethically made. Ribeiro-Duthie, Gale, and Murphy-Gregory note that the original concept of fair trade was to provide sustainable and socially responsible choices while using market values to challenge the same market (2019, 999).

All these definitions recognize the disparity between producers and consumers, particularly between Southern producers and Northern consumers. Generally speaking, fair trade is a

responsive social movement to globalization. However, where the definitions diverge is the role and goal of fair trade *now*: Does fair trade exist to raise awareness in conventional international trade or is the goal for the consumer to have choices that align with their ethics? Or does fair trade exist for the producer to enjoy greater economic stability and wealth? While these may not be mutually exclusive motivations of the movement, the different objectives demonstrate the complexities of the fair trade conversation.

After initial efforts to establish connections between fair trade producers and consumers in the years after World War II, the UN began to address development issues in regards to the environmental and social impacts in the 1960s. U Thant, then Secretary-General, declared that “(d)evelopment is not just economic growth, it is growth plus change” (United Nations 1962, v). The 1962 report echoed the advice of the Economic and Social Council (ECOSOC), discouraging the “overriding and disproportionate emphasis” on “the more material aspects of growth” (United Nations). While ECOSOC analyzed the present circumstance of modern development in a changing world, they also foresaw potential issues:

(h)uman rights may be submerged and human beings seen only as instruments of production, rather than as free entities for whose welfare and cultural advance the increased production is intended,”and thus that “(t)he end may be forgotten in the preoccupation with the means” (United Nations 1962, 10-11).

Overall, there was a general awareness by the UN and NGOs establishing a consensus that development was more than open economies or improvements in technology. The tension between conscious development and the rise of multinational corporations became visible as transnational corporations (TNCs) rose in power and influence. In 1971, TNCs had come to control 70-80% of world trade outside the centrally planned economies (Greer and Singh 2000, 2). At the end of the 1980s, foreign direct investment, which measures the productive capacity of TNCs outside their home countries, grew from approximately U.S. \$1.1 to U.S. \$2.1 trillion (Greer and Singh 2000, 2). Most of the production from these TNCs did not prioritize environmental protectionist policies, nor did they ensure equitable payments for workers in non-U.S. production sites.

Thought leaders such as Amartya Sen combated the effects of TNC expansion and began to reimagine development and its purpose. Sen defined development in such a way that included “human rights as a constitutive part: all worthwhile processes of social change are simultaneously rights-based and economically grounded, and should be conceived of in those

terms” (Uvin 2010, 168). A holistic approach to sustainable development grew in familiarity - one that does not measure income alone, but included other social and environmental factors. Conferences held began to shape global civil society and form new policies and ideas, including the 1972 UN Conference on Human Environment in Stockholm, the 1974 World Food Conference in Rome, the 1974 World Population Conference in Bucharest, the 1975 World Conference of the International Women’s Year, the 1976 UN Conference on Human Settlements, and the 1976 World Employment Conference.

The debt crisis and recession in the 1980s halted the growing momentum towards sustainable development. Structural adjustment programs (SAPs)¹, especially in Latin American and African countries, promoted privatization, reducing trade barriers between Global North and Global South states, and championed a ‘free market’ with poverty reduction as the goal. However, these SAPs often stalled the sustainable development efforts taking place (Thomson, Kentikelenis and Stubbs 2017). The United Nations International Children’s Emergency Fund (UNICEF) produced a famous report in response to SAPs known as “With a Human Face” which centralized the purpose of uplifting and supporting people in the global economy. Through this report, the UN emphasized the importance of including social, environmental, and human aspects in the conversation of development rather than solely focusing on the markets of open economies.

In 1992, the UN Conference on Environment and Development, also known as the Earth Summit, introduced the first global agreement on sustainable development, Agenda 21. The Earth Summit established ongoing NGO involvement in international consensus-making. It also provided a foundation and structure to begin the process of codifying language and ideas of sustainable development, later becoming the eight Millennium Development Goals in 2000. This remarkable conference was followed in 1994 by the European Parliament that passed several resolutions on fair trade. Momentum continued through 2006, including public endorsements of fair trade by prime ministers. Several more global summits occurred in the 1990s including the 1995 Conference on Women in Beijing, establishing gender’s essential facet of sustainable development.

¹ Thomson, Kentikelenis and Stubbs define structural adjustment programs as loans as those “provided to countries in dire fiscal or macroeconomic straits. In return, recipient countries are required to reform various macroeconomic and fiscal policies according to a neoliberal rubric, typically cohering around economic stabilisation, trade and financial liberalisation, deregulation, and privatisation.” (2017).

Global consensus, such as the agendas and goals that came from these conferences, were mirrored by the fair trade movement's continued organization, expansion and collaboration. As SAPs bolstered corporate growth in developing countries with little thought for human rights, the fair trade movement sought to capture the enthusiasm for global trade with an emphasis on the individual producer's well being. In 1997, the Fairtrade Labeling Organization (FLO) was born, creating a standard for consumers to recognize fair trade products. A year later FLO, International Fair Trade Association (IFAT) now World Fair Trade Organization (WFTO), Network of European Worldshops (NEWS!), and European Fair Trade Association (EFTA) joined forces and became known by their acronym FINE. The EFTA alone established eleven fair trade import organizations in nine European countries.

With more organizations, the fair trade movement needed universal standards. The IFAT Fair Trade Organization mark launched in 2004 allowing any organization that meets the standards to be registered Fair Trade Organisations (World Fair Trade Organizations 2015). However, over the next five years this mark could not be used as a product label and therefore did not give organizations the visibility that members felt they needed in the market. Meanwhile, IFAT started going through significant changes and rebranded to the World Fair Trade Organization (WFTO). In 2011 the WFTO designed a system to provide product labeling for fair trade organizations. By this time, experts in the field of fair trade began to lead and monitor the certification process. The Guarantee System in 2013 was presented by a working group of experts. It includes five parts: "improved membership application procedure, self assessment, peer visit, monitoring audit and the Fair Trade Accountability Watch (World Fair Trade Organization 2015).

In the past decade, fair trade began to leverage its influence on the international policy stage. In 2011, Fairtrade International gained special consultative status with UN ECOSOC with the promise that, "the increase of fair-trade is fundamental for increasing engagement with and delivering positive impacts among producers and workers" (United Nations October 2015)². With this recognition, Fairtrade International representatives attended the United Nations Conference on Sustainable Development in Rio De Janeiro in 2012 and all the Conferences of Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC):

² Note that Fairtrade International and the Fairtrade Labeling Organization make fair trade one word. In this paper when it is one word (Fairtrade), it is in reference to the organization Fairtrade International. If it is two separate words (fair trade) it is referring to the social movement. Also, please note the use of fairtrade and fair trade remains inconsistent in the literature.

COP 17 in South Africa, COP 18 in Qatar, COP 19 in Poland, and COP 20 in Peru. From the beginning, Fairtrade's advocacy highlighted the Millennium Development Goals, the preceding eight development goals that evolved into the 17 Sustainable Development Goals. Three years later, Fairtrade gave a statement commenting on the drafted SDGs, addressing issues with SDG 17, SDG 8 and SDG 12 in order to "deliver for the poorest" (United Nations June 2015). In a general debate held in 2015, Fairtrade International's spokesperson, Hans Theyel, stated:

delivering the sustainable development goals required the voices of smallholder farmers and workers to be heard at the highest levels of Government and commerce. To ensure inclusive trade that benefited the poorest, the indicators should capture not only the impact of trade deals on projected gross domestic product but also their medium and long-term effect on the livelihoods of the poorest." (United Nations Sept 2015)

Throughout these three strands of change - NGO growth, birth of alternative trade organizations, and sustainable development - the fair trade movement boomed. Originally a small scale project, fair trade has become a widely-recognized market label. Fairtrade International's 2012-3 Annual Report claimed that six in 10 consumers have seen the Fairtrade Mark and, of those aware consumers, nine out of 10 trust it. From its genesis, fair trade fostered individual relationships between church members and developing countries on the basis of solidarity. The small group of people interested in buying products were motivated by their conscience. Today this solidarity movement has enlarged to target the average consumer in the mainstream market (Raynolds, Murray and Wilkinson 2007, 5).

With growing labeling efforts and increased marketing, the fair trade model has become a recognizable product symbol. U.S. coffee, chocolate, rice, and fruits bear the fair trade sticker signaling to the U.S. buyer that the producer will be justly rewarded through the consumer's acquisition. Since 2009, fair trade reports that the number of American households that recognize Fair Trade coffee has risen from 9% to 50% (Haight 2011). Fairtrade America reported on PRNewswire.com that, "The Fairtrade label is the world's most recognized and trusted ethical certification" however, since 2009, there has been no accessible third-party data to understand consumer's attitudes and behaviors towards the fair trade label (Fairtrade America 2018).

As stakeholders' awareness for fair trade products increases, the fair trade movement continues to expand and align itself with the sustainable development movement. Most recently, the movement's alignment with the 17 Sustainable Development Goals demonstrates fair trade's

commitment in engaging with civil society and maintaining a current voice in their messaging. The website states,

There is a large amount of cross-over between the SDGs and Fairtrade's work. In fact, of the 169 targets underlying the goals, there is barely a single one that isn't somehow related to food and farming. This means that smallholder farmers and workers have a central role to play. (Fair Trade International 2020)

Fairtrade International prioritized eight SDGs most closely linked to their activities: 1) Ending Poverty; 2) Ending Hunger; 5) Achieving Gender Equality; 8) Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 12) Ensure sustainable consumption and production patterns; 13) Take urgent action to combat climate change and its impacts; 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; 17) Strengthen the means of implementation and revitalize the global partnership for sustainable development. The website goes further to say, "Fairtrade is closely aligned with the SDGs and – together with farmers and workers, civil society, governments and businesses – we are working to make the ambitious goals a reality" (Fairtrade International 2020).

Cases

I have chosen three of the 17 SDGs as a means to evaluate the commitment of fair trade to sustainable development. The SDGs provide many crucial standards for sustainable development including climate action, clean water, infrastructure, education, health care and peaceful institutions; however, fair trade does not engage in all of these issue areas. I chose to analyze SDG 1, 5, and 12 because they strongly aligned with the social aspects of sustainable development. The first goal (Ending Poverty) addresses how appropriate wages with fair trade should benefit the producer rather than burden them with extra costs in participating in the competitive market. Likewise, SDG 5 (Gender Equality) highlights the gendered aspects of sustainable development. Fair trade highlights the efforts of female agricultural workers. Finally, SDG 12 (Responsible Consumption and Production) addresses the need for producer focused economic approaches in fair trade's supply chains. Although SDG Goal 8 (Decent Work and

Economic Growth) appears to encapsulate the core mission of the fair trade movement, I chose to examine the SDGs that categorized fair trade's secondary contributions in sustainable development.

Case Study 1: SDG 1 - Ending Poverty

SDG 1 simply aims to “end poverty in all its forms everywhere” (United Nations, 2021). The UN reports that about 10% or 734 million people live on less than \$1.90 a day. This first goal has five targets:

- 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.
- 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
- 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
- 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

Fairtrade International claims that ending poverty is central to their mission (Fairtrade International 2021). The organization claims the following is effectively ending poverty: Fairtrade minimum price, Fairtrade premium, Fairtrade standards, and ongoing work through programs, partnerships and advocacy.

Fairtrade minimum price (FMP) is “the minimum price that must be paid by buyers to producers for a product to become certified against fair trade standards” (FLOCERT 2021). As a safety net for producers, the minimum price is intended to cover the costs of production and allow them to enter the market. It is meant to keep producers from being forced to sell below the

market price. As an equal exchange for goods and services, FMP is the floor price or lowest cost that the buyer can give to the producer in a fair trade agreement. This often makes fair trade products more expensive than other products without the equitable minimum cover price. Price floors bolster long-term trade relationships between producers and sellers while also providing rewards for producers to be fair trade certified in order to mitigate the risks of the global market fluctuations (Norgaard and Schillaci 2019, 3).

The Fairtrade Premium (FP) is “an extra sum of money, paid on top of the selling price, that farmers or workers invest in projects of their choice” (FLOCERT 2021). Fair trade producers collectively decide how the monies will be spent. Sometimes the FP helps improve farming, or business in their community as well as health and education opportunities. This allotment of money is intended to be an extra support and means of development for producers experiencing the challenges of being small producers in the Global South. Fairtrade International reported that 56.9% of FP funds received by producers were put towards ending hunger (See Appendix A for a detailed chart of FP fund allocations.) This indicated a need for more than a trade-based system to address poverty.

In addition to the fiscal equities that FMP and FP provide, Fairtrade International standards “are requirements that producers and traders have to meet in order to obtain Fairtrade product certification” (FLOCERT 2021). These include general standards and product specific standards. Standards set social, economic and environmental practices that help protect people and the planet, further ensuring that resources produce opportunities to come.

Finally, Fairtrade International claims ongoing programs, partnership and advocacy are another important means for poverty reduction. By linking arms with other institutions providing sustainable means to increase incomes and reduce poverty, Fairtrade International continues its efforts to expand the organizations and consumers that engage in the movement. Fairtrade International claims to “amplify the voice of farmers and workers in key policy debates, supporting them to confront policies at the national, regional and global level that impede fair trade and sustainable business” (Fairtrade International 2021). The partnerships they have with peer organizations such as the International Trade Center, International Cocoa Initiative, and UN Conference on Trade and Development promulgate the fair trade strategy for poverty reduction in several crucial sectors.

While SDG 1 and fair trade activities aim for poverty reduction, the accessibility and value-added supply chains in the fair trade market structure have received criticism for their lack of flexibility in a competitive sphere. Likewise, the high standards required create an obstacle for accessibility with little value added to their product. While price floors ensure a minimal dollar amount that covers costs, it can inhibit a product's purchase appeal in a competitive market. Common fair trade items such as coffee or chocolate often experience ebbs and flows in production. Maintaining a standard cost against a fluctuating market may cause sellers to lose interest in buying an expensive product despite the sustainable creation. In the end, this can harm the Southern producer whose items are not being purchased.

Likewise, the FP creates a social safety net for producers; however, to be part of the program a producer is required to pay the fees of application. While these fees ensure the high sustainable standard, it excludes small producers who cannot afford to enter the fair trade sphere. Meanwhile, large producers enter the fair trade system, leaving many small producers who are experiencing extreme poverty on the margins. The intention behind the FP is to reduce poverty in communities through actionable programs and resources; however, it can leave out those in the community without the jobs or connections needed to make money and support their livelihoods.

Finally, while fair trade promotes poverty reduction by claiming to be producer-focused rather than consumer-focused, over the years it has become increasingly bureaucratic. The certification process requires extensive paperwork which calls into question the accessibility of this process for impoverished farmers and producers. A fair trade product originally went from the small scale producers to an intermediary who sold the product in the North. Now, there are many stops along the way with the fair trade evaluation, certification, labeling and distribution (Kratz 2016). (For an example of the multi-step, bureaucratic nature of Fairtrade International see Appendix A for a detailed chart displaying the many stops a product has to go through to be sold. Also see a chart explaining how a new certification standard is proposed in this bureaucratic organization.) An interested buyer may believe that they are purchasing an item at a higher cost in order to put more money in the producer's pocket; however, with more middle men absorbing money through the supply chain, the financial benefits are reduced for the producers. This weakens the direct impact of fair trade's poverty reduction strategy and goal.

Case Study 2: SDG 5 - Gender Equality

SDG 5 seeks to “achieve gender equality and empower all women and girls” (United Nations 2021). The UN reports that only 13% of agricultural land holders are women; however, women tend to be the primary laborers in the agricultural sector. In North Africa, less than one out of five women are employed in sectors outside of agriculture. SDG 5 has six targets as follows:

5.1 End all forms of discrimination against all women and girls everywhere.

5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.

5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation.

5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.

5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.

These targets aim at eliminating discrimination, violence, and harmful practices, as well as supporting domestic work as appropriate, ensuring participation in all aspects of decision making, and access to health care and reproductive rights. This goal exposes the gap women in developing countries experience in equality. Fair trade recognizes that much of the world’s food is grown by women. In fact, sixty to 80% of food is grown by women and that number is increasing. While the world sees more farmers, there is not an increase of women landowners who make a profit from their farming. Recent data indicates that about 25% of workers involved in fair trade are women (Fairtrade International 2021). Fair trade’s gender equality policies seek to address the gender gap and empower women to participate and access the benefits of the fair trade structure.

According to the fair trade policy, producers are prohibited from discriminating on the basis of sex or marital status. Likewise, there is a “zero tolerance of behavior that is sexually intimidating, abusive or exploitative” (Fair Trade International 2021). Pregnancy testing is prohibited during recruitment. Producers are required to work on policies addressing gender as well as provide support for women. Fair trade is seeking to enhance women’s participation in the movement by creating leadership schools, funneling fair trade premiums towards programs that directly benefit women, undertaking gender auditing and committees, and participating in advocacy that supports equality for women.

While a market approach is one way to promote human rights issues around gender equality, the top down approach of the fair trade structure gives opportunity for Northern leaders to influence Southern producers' cultural values and approaches to promoting gender equality. This top-down method may provide awareness and conversation on female empowerment, but it also may exclude marginalized and far more discriminatory production centers from being influenced by policy that promotes gender equality. Since every growing region is different, the fair trade impositions of gender equality may require more negotiation from one growing area to another. Therefore, a universal standard may prevent the influence of fair trade on regions with more extreme social-cultural values that disenfranchise women. Likewise, monitoring and accountability remains another challenging aspect of the gender equality focus. Since quantifying and measuring gender equality is difficult, fair trade’s claims about projects needs facts on tangible improvements.

Case Study 3: SDG 12 - Responsible Consumption and Production

SDG 12 seeks to “ensure sustainable consumption and production patterns” (United Nations 2021). The UN’s latest reports project the global population could expand to from 8.5 million in 2030 to 9.7 in 2050. If current lifestyles are maintained, there would need to be three planets to provide for the growing demands. Companies have seen the trend and 93% of the largest global companies are including sustainability in their reports. SDG 12 has eight targets:

12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

The eight target areas address the global efforts in efficient use of natural resources, food waste, management of chemicals, reductions of waste, corporate accountability, and awareness in policies in a sustainable lifestyle. Ultimately, this goal pursues changes in the way we produce and consume products for efficiency, creating a closed loop from beginning to end. Fair trade, meanwhile, claims to be a leading ethical labeling system worldwide by maintaining strict standards of growing, harvesting, and manufacturing. Fair trade towns, fair trade training and the FP are all ways that fairtrade has claimed to address consumption and production patterns.

There are more than 1,750 fair trade towns in 26 countries (Fairtrade International 2021). These collaborations center around the commitment for a better life for farmers and workers³. The requisite for being a fair trade town merely indicates a commitment to raise awareness and sell fair trade products. There is no language pertaining to responsible consumption of these products. While there are environmental standards as part of the general fair trade certification

³ The website fairtradetowns.org is no longer accessible, however the fair trade campaigns website has a resource on starting a fair trade town.

process, nowhere else is responsible consumption or zero-waste efforts mentioned in materials on fair trade towns.

Fair trade also declares its support of SDG 12 as a leader in the global movement towards ethical trade. It claims that fair trade challenges local governments and positively affects consumer patterns and behavior. Much of the effort and language between SDG 12 and fair trade rests on a top-down approach. Fair trade's adoption of SDG 12 addresses how small-scale farmers' sustainability efforts are crucial; however, it fails to account for the large corporations who ignore the sustainable production standards as well as consumers who fail to maintain sustainable efforts in purchasing, using and applying the waste of fair trade products.

Analysis

Considering its success in scaling up its activities through the SDGs, fair trade's effectiveness in sustainable development has mainly been advocacy. Fair trade exemplifies the inability of the alternative trade movements to exert influential power on the current global market. In this section, I will analyze how fair trade has positioned itself as a means of sustainable development but operates in a system that will always disadvantage the small producer. Likewise, I will examine how fair trade has failed to effectively evaluate its activities in alignment with its mission. Similarly, I will address the lack of data to confirm fair trade's contribution to the SDGs. Finally, I will scrutinize fair trade's expansion and how it has adopted bureaucratized processes that contradict its original goal. Adopting the language of the SDGs has allowed fair trade to be part of the UN's conversation through language; however, fair trade requires better theory and a reinvigorated values-based approach to scaling up its activities for actual sustainable development.

Fair trade as a means of sustainable development

In 2015 as the sustainable development movement codified standards for healthy development, fair trade organizations began to adopt the language of the SDGs in communications. The messages attempted to convey that they were part of the solution of sustainable development. On the websites of Fairtrade International, Fair Trade Certified, and the Fairtrade Foundation, the organizations claim that their policies contribute to the SDGs. Fair Trade Certified argues that Fair Trade USA “promotes direct and meaningful impact” within six

specific SDGs⁴ (Fairtrade Certified 2021). Taking on the language and efforts of the SDGs is claimed to be “central to Fairtrade’s mission” (Fairtrade International 2021). Additionally, Fairtrade asserts that there is crossover between the work they have been doing and the SDGs (Fairtrade International 2021). Interestingly enough, while Fairtrade speaks with authority on the UN’s SDGs and efforts, Fairtrade does not hold consultative status within the body of influential partners to the UN. Despite Fairtrade International gaining special consultative status with the UN in 2011, there has been limited interaction between fair trade organizations and the UN.

Nonetheless, fair trade’s engagement and enthusiasm around the SDGs help advocate for sustainable development. According to Fairtrade International’s 2012-3 Annual Report, nearly 6 out of ten consumers have seen the fair trade mark and, of those, 9 in ten consumers trust it. With a wide market of engaged stakeholders, fair trade’s enthusiastic voice for the SDGs is a powerful means of advocating for sustainable development. It may also educate the consumer on alternative trade’s part in sustainable development.

While the fair trade movement may be a mechanism of advocacy within the sustainable development movement, it is incapable of existing as a primary means of sustainable development. From its genesis, the fair trade movement has existed with a grassroots mentality - working from the bottom up. Fair trade may be bringing positive awareness for consumers, but it fails to be a strong enough power against corporations that are perpetuating unfair labor practices and unsustainable economic schemes. Multinational corporations will always have the upper hand.

Recent events, especially with Fair Trade USA, demonstrate how large corporations are absorbing fair trade. As of 2020, Fair Trade USA has become a partner with Walmart as a third-party auditor for their Responsible Sourcing Program (2020). This partnership indicates Fair Trade USA’s willingness to partner with a well-known fair labor offender. Fair Trade USA may be able to influence positive change with Walmart; however, in so doing, it fails to uphold its mission to support universal fair labor practices.

Likewise, while corporate partnerships may increase awareness, there remains a harmful relationship between North and South. Fair trade was intended to curb the negative effects of globalization. Economist Richard Wolff notes that without changing the structure of a micro

⁴ Other than SDG 1, SDG 5, and SDG 12, Fairtrade International claims SDG 2: Ending Hunger; SDG 8 Decent Work and Economic Growth; SDG 13 Climate Action; SDG 16 Peace, Justice and Strong Institutions; SDG 17 Partnerships for the Goals (2021).

group of individuals from corporations and powerful institutions making decisions, fair trade is merely working within a system that fosters disparities:

If you don't change the system, you are leaving intact the decision-making of these enterprises, which means a small group of executive and shareholders are gonna be working in the same system, subject to the same pattern of rewards and punishments which will sooner or later make them reimpose, there or elsewhere, the very conditions you're fighting against. So, stop this stuff about improving their conditions. Deal with the system or else you're not serious. (The True Cost 2015).

Despite the efforts of fair trade to equalize the economic relationships of producers and consumers, a strong relationship remains. The Global North consumes and the Global South produces. Within the fair trade scheme, there are few instances of South to South trade. The Global North determines the market. The Global North determines what is fair.

While critics go back and forth about the fair trade movement's success, fair trade can add value to the supply-chain through diversification and stability for producers as they plan (Smith 2009). Fair trade will probably never be able to overturn the inequalities of the globalized market; however, it may be able to help a few become better competitors in a system that disadvantages them. Similarly, Ovin and Gole emphasize that while fair trade lacks fundamental economic theory, it is "a necessary route to make international trade sustainable" (2017, 22). In fact, Ovin and Gole note how fair trade benefits industrialized economies by providing competition. If Global South countries continue to exploit their resources and human capital, developed nations cannot compete and maintain human rights and environmental protections (2013, 23). Ideally, the fair trade movement would be successful in combating unsustainable practices if it addresses the fundamental aspects of assessment and economies of scale as a social movement.

Failure of assessment

Although fair trade is popular among U.S. consumers, fair trade is not without scholarly critique. Ndong Samba Sylla questions the impact for producers, arguing that that fair trade is merely a marketing ploy to benefit the rich (2014). Mainly, scholars have critiqued the failure of evaluation and failure of scale as a social movement (Haight 2011, Makita 2016, Norgaard and Schillaci 2019).

In the 2020 annual report, Fairtrade International reported that 79% of the organization's funding came from member fees from fair trade organizations. This means that there is a huge cost to the bureaucratic nature of the expanding coalition of organizations. How much of the cost is being absorbed through means of evaluation and paperwork? High standards are important in maintaining fair working conditions, fair wages and fair treatment of producers; however, as fair trade expands, the bureaucracy may be absorbing money that could otherwise be given to the producer.

While it remains vital to the mission and purpose of fair trade to have high standards that support producers and the planet, how high can and should these standards be? Small-scale producers are the intended beneficiaries of the fair trade model; however, if they are unable to tap into the fair trade network they remain marginalized and the goal of fair trade is put into question. Larger producers in developing countries may have the resources to be part of fair trade which further ostracizes small-scale producers.

Additionally, the small-scale producer standards carefully detail the minimum requirements of a fair trade certification. The specific nature of the standards displays fair trade's attention to important details and factors in the economic structure. However, these high standards may put small producers out of reach. The top-down approach of evaluation may lead to over-assessment which results in inaccessibility and inefficiency. Small producers often have decades of experiences in sustainable means of farming and production. A standard without input from small-scale producers may hamper the already low-waste, planet friendly approaches in which the producers engage.

Sylla addresses the bias against farmers in developing countries in the certification process (2014). The expense of certification is relatively more costly for the poorest countries. Likewise, larger producers pay less as a result of the sliding-scale price structure, making it more challenging for smaller organizations to participate in fair trade. Finally, in order to comply with fair trade standards, producers are required to change practices, another cost factor that limits smaller organizations because they produce less and have lower economies of scale.

As an intermediary institution, Rie Makita concludes that fair trade failed to fulfill its promises of better incomes and benefits to the producers in the program (2016, 198). Furthermore, Makita's case study research indicates that the fair trade certification did not only fail to benefit the small producers, but may in fact harm their livelihoods. However, Makita also

notes that if fair trade is able to provide practical benefits and rewards, then it may succeed as an intermediary institution. Competition to reduce poverty may encourage sustainable practices for fair trade production.

As the fair trade movement has formed organizations and grown in its impact and reach, there have been shared values across the movement. However, a standard of evaluating fair trade organizations' activities has been obsolete. Paul argues that there remains a gap for solid and targeted methodology in evaluating fair trade as a whole (2005). Furthermore, Paul introduces a metric of evaluation that frames fair trade as a development project. This method measures the impacts of fair trade, a traditional project evaluation criteria that collects data through qualitative and quantitative means (Paul 2005).

Similarly, the 2019-2020 Annual Report shows Fairtrade International allocated 23% of expenditures for managing accounts, creating new organizations, and maintaining a brand. Standard setting and pricing, strategy and policy, and governance accounted for 21%. Direct Producer Service established 40% of Fairtrade International's spending in the 2019-2020 fiscal year. This included funding of producer networks, producer services, and the Producer Certification Fund⁵. Overall, a significant amount of the budget is allocated towards producers, although the specifics of that funding are not specified. On the other hand, 60% is absorbed by bureaucratic functions.

In the past few decades as fair trade has become more and more popular, there have been factions within the organizations, demonstrating a lack of unification in development. The IFAT—the World's Leading Trade Fair for Water, Sewage, Waste and Raw Materials Management—and the FLO are two leading ATOs in the fair trade realm. IFAT's core values and messaging differ greatly from FLO. In 2002 IFAT created nine standards: developing opportunities for economically disadvantaged producers, transparency and accountability, capacity building, promoting fair trade, payment of a fair price, gender equity, working conditions, child labour, and the environment. FLO's practices emphasize packaging, labels and trending market strategies.

Fairtrade International provides its lengthy standards online for small-scale producer organizations, hired labor organizations, contract production and related product-specific standards, trader standards, climate standards, textile standards, and gold and associated precious

⁵ Information about the Producer Certification Fund was not available on Fairtrade's website.

metals standards (Fairtrade International 2021). The small-scale producer standards document is 72 pages and covers definitions, general requirements, trade, productions, and business and development. The labor practices section addresses the policies that protect from discrimination, forced labor, gender-based violence, and restrictions for child labor. Likewise, the standards reinforce the freedom of association and collective bargaining. Finally, the small-scale standard encompasses the conditions of employment requiring wages to be set according to the Collective Bargaining Agreement. Furthermore, wages must be at or above minimum wage. Normal hours of employment are given and guidelines provided for wage increases. Workplace and occupational safety is carefully delineated.

Fairtrade International gives a three-step process in becoming a producer: determine if you are within the geographical scope of fair trade producers, determine if you meet the fair trade standards, and then contact FLOCERT, the independent certification for fair trade, for their step-by-step process. FLOCERT gives a five-step process to becoming certified: apply, audit, evaluation, decision, and following up. These stages include onsite visits, extensive paperwork, and in-person interviews. While it may appear like a simple process on the colorful webpage, the realities of the assessment process is not only time consuming but expensive. Small-scale producers are expected to have access to online resources, evaluative language familiar to Fairtrade International, and time to go through the certification process. The accessibility of Fairtrade International certification is questionable. While the internal evaluation borders on over-assessment, external evaluation of fair trade's activities is non-existent. Other than third-party audits procured by Fairtrade International. The lack of third-party evaluations calls into question the authenticity of this globally recognized organization and labelling effort.

Fairtrade has sought to address the gap in third-party, external assessment by adopting the SDGs as a part of communicating their activities, values and goals. This absorption of the SDGs into organization verbiage and rhetoric positions fair trade organizations to become players in the sustainable development movement despite not one single fair trade organization having consultative status with the UN.

Before 2017, Fairtrade International's annual reports shared case studies to demonstrate how fair trade's initiatives intersected with SDGs. For example, the 2012-3 Annual Report referenced an impact study conducted by the Institute of Development Studies that found farmers received higher and more stable pricing through Fairtrade in the Dominican Republic in

reference to SDG 1 (8). About 75% reported having savings and about half said they did not have to retain loans to cover unexpected expenses. However, the report failed to give the percentage of change before and after fair trade. Likewise, this was only one case study to evidence their participation in SDG 1 efforts. In the same 2012-3 report, Fairtrade admitted that “Several studies indicate that more work is needed to ensure workers employed by small farmers benefit sufficiently from Fairtrade” (8). Similarly, Fairtrade has funded the Institute of Development studies to conduct independent evaluations on the impact of Fairtrade. While Fairtrade’s pursuit of transparency and accountability within the sector is applaudable, the lack of third party research that is not commissioned by Fairtrade brings into question the effectiveness of the fairtrade model in reducing poverty.

When the European Union selected Fairtrade to be a partner in collaboration for the UN’s SDGs, Fairtrade International began to report how FP were being used by producers. SDG 1: Ending Poverty has been a primary area for producers to use their FP, second to ending hunger. While these funds are reported to be used to fight poverty, there is no evidence that through a Fairtrade partnership, producers have experienced lower poverty rates. In fact, the high percentage of FP used to reduce hunger may be an indicator of lack of economic growth. Since there is no public data that demonstrates how Fairtrade partnerships benefit local communities, a conclusion cannot be made. As Fairtrade seeks to expand and scale up the movement, it must be careful to maintain poverty reduction as a priority through its budgetary allocation. In order to be a truly sustainable movement, Fairtrade will need to tether bureaucratic expansion and keep producers central in its financial endeavors.

Moreover, Fairtrade has begun to position itself as a movement seeking gender equality as found in SDG 5. In the 2019-2020 report, Fairtrade recognized the challenging nature of measuring gender equality. Recently, the organization created a Gender Index that attempts to quantify the representation of women within organizational governance, the participation of women as members and in management roles, activities to support gender mainstreaming, such as gender awareness training, providing loans, and whether the organization has a gender policy in place. Since this index was initiated in 2016, it is too soon to tell if and how Fairtrade is supporting gender equality. However, leadership schools and empowerment programs are in place to support women farmers and producers as well as influence social norms that hinder gender equality. In the past two fiscal years, producers themselves have chosen to spend less than

1% on gender equality measures. This may be an indication of Fairtrade's inability to transform communities outside of economic means. However, it is important to note that Fairtrade's communications, reports, and photographs frequently highlight efforts geared towards women.

Fairtrade has also claimed its pursuit of responsible consumption and production as found in SDG 12. In the 2017-18 Annual Report, the Fair Trade Advocacy Office is seeking to raise awareness about sustainable means of consumption and production. It seeks to boost consumer demand for Fairtrade items and support market expansion in countries like the Philippines. Increasing awareness and access to Fairtrade products is encouraged in the country of production. The European Union's project *Trade Fair, Live Fair* has brought together 20 organizations along with Fairtrade to promote sustainable consumption and production. These coalitions along with the International Fair Trade Charter with the WFTO are international mechanisms to promote SDG 12. Likewise, in a statement given to the UN in 2015 as a response to a draft of the sustainable development goals, Fairtrade highlighted that, in regards to SDG 12, a certification of sustainability must be comprehensive with benchmarks that examine poverty, the environment and the economy. This statement also emphasizes the need for independent and transparent systems of certification which Fairtrade has with FLOCERT.

However, Fairtrade's advocacy alone is not an effective enough means to prove its progress in responsible consumption and production. Since it is a market-based organization, Fairtrade must demonstrate its commitment to sustainable development and trade through evidence of the positive effects of responsible consumption and production. Without results that are mutually beneficial between the producer and the interested consumer, there will be a loss of momentum in the alternative trade movement. Many of the programs Fairtrade runs are so small that they are not sufficiently influential in the global market.

Failure of scale

As labeling efforts expand, the marketing of fair trade has been increased. While it remains a good thing to have more opportunities to sell fair trade goods, the bureaucratic expansion and consumer focus of the organization has not captured the values of the grassroots approach from which fair trade began. Fair trade has favored the larger, industrial-focused farmers rather than the marginalized agricultural producers who often experience extreme forms of poverty (Getz and Shreck 2006, 490). Likewise, there exists an illusionary partnership through

trade between Northern consumers and Southern producers, but fair trade has lost the personal connection it had at the movement's genesis. Fair trade becomes more popular on grocery store shelves in the U.S. but the same cannot be said for farmers and producers. Many struggle to meet the standards required on certification.

Nathan Nunn's research exposes the positive and negative sides of the fair trade movement's growth (Nunn 2019). Farm owner's incomes rise as intermediaries' profits diminish. This fulfills one of fair trade's promises by helping the Southern producer. However, unskilled farm laborers remain the largest group within the trade sector (particularly with coffee) that receive no benefits from the fair trade relationship. Many crop farmers, such as coffee farmers, hire migrant workers who do not experience the long term advantages of equitable wages and FP benefits. Nunn highlights that there is no evidence that the surrounding communities are positively affected through fair trade.

Fair trade may be maintaining some of its goals as the movement grows, but the core values appear to be shifting. In 2011 the fair trade movement experienced a significant splinter when Fair Trade International and Fair Trade USA became two distinct organizations (Modelo 2014). Paul Rice, the first CEO of Fair Trade USA, describes the split as a business matter in which Fair Trade USA overcame "internally imposed exclusions" (Modelo 2014). In an interview with Catholic Relief Services, Rice emphasized how fair trade was an opportune market to grow (Coffeelands 2011). He claimed that opening the standards to unorganized farmers and estate owners would help expand the market. Likewise, he expressed favorability towards corporations unable to make the cut. By allowing bigger players into the market, Rice argues fair trade sourcing will grow. These shifts in Fair Trade USA show the drift away from a cooperative framework focused on small producers towards the big companies and consumer markets. Rice stated, "Fair Trade of the past was amazing. And absolutely not scalable" (Coffeelands 2011).

As a social movement, fair trade continues to scale up its activities and attempts to broaden its impact. As it organizes, creates processes and seeks to expand, fair trade is experiencing the effects of bureaucratization. With increasing written standards and levels of certification, the space between the producer and consumer has grown. Critics of fair trade argue that at this point fair trade is failing in their scaling efforts. Raynolds and Murray discuss how the original fair trade model gave producers a voice in decisions about production, standards and

prices, but now “increasing affiliation with conglomerates who remain unaltered by fair trade principles calls into question the infiltration model that the movement is pursuing” (2007, 226). Adopting the conglomerates “buyer driven’ commodity networks” is one factor of this shift in fair trade (Raynolds and Murray 2007, 226).

The question remains, is fair trade able to scale up into a globalized market? The SDGs show ways that fair trade continues to remain relevant for sustainable development. The expansion of fair trade has sought to co-opt the SDGs as a metric for understanding the goals and values of fair trade. While SDGs remain a crucial means of implementing policies directed towards sustainable development, they fail to address the systemic inequalities caused by global trade in a postcolonial setting. The fair trade movement has existed to challenge the globalized market that indebts and marginalizes Southern producers. By co-opting neoliberal free market principles, fair trade will lose its core mission.

The SDG integration into Fairtrade communications, reports and initiatives indicate reasonable efforts of Fairtrade to scale up their activities and engage in global conversations on sustainable development. The market for Fairtrade products is growing every year; however, it is questionable if Fairtrade still pursues the same basic, original value that is producer-centered. The fracture of Fairtrade America and Fairtrade International indicates the tension in beliefs, ideas and standards. In many ways, Fairtrade is challenged by accusations that it is fair-“washing” their products without holding to their promises that producers are tangibly benefitting from the alternative trade model.

Likewise, some scholars have even questioned the legitimacy of fair trade efforts. Christy Getz and Aimee Shreck’s research indicates that the “Fair Trade model approximates ‘fairness’ and ‘equal exchange’ in which consumers and producers are in partnership via trade, this partnership can be illusory at best” (2006, 499). Haight questions the FLO model, noting that what the label claims to be selling the consumer is different than the promises of the certification. He suggests that, “Fair Trade coffee has evolved from an economic and social justice movement to largely a marketing model for ethical consumerism... (but) the model persists regardless of its limitations” (Haight 2011).

While positive perspectives on fair trade remain, the *trade* of fair trade may be a misnomer. Marlike Kocken notes that for many producer organisations the payment of a fair price is less important than the long-term relationship, the advance payment, and the certainty of the

guaranteed minimum profit (2002). Kocken concludes that, “[i]t might be better to give up the image of paying a fair price... It would be closer to reality to say that Fair Trade pays the maximum amount that is feasible on the market.” The fixed market value gives stability to the producers while providing a message to the buyers of the gaps in non-fair trade pricing.

Raynolds and Murray (2007) note that fair trade has moved from its original market of collective of small social justice-focused ATOs into a realm where corporations are positioning their products in differentiated markets:

..it has required the engagement of a host of large operators whose commitment of Fair Trade principles is open to question. While some see the mainstreaming of Fair Trade as an indication of this initiative’s success in reshaping conventional market relations, others argue that this reflects nothing more than mainstream corporate efforts to profit from Fair Trade products. (224-5)

Further case study research reveals that small producers are unaware of the benefits that their partnership in the fair trade network provides (Getz and Shreck 2006, 490). Consumers believe they are helping small producers by buying their products; however, if these producers remain uninformed about material benefits or market prices, then there is no accountability in the network. The fair trade label confers a guarantee on a product, but Getz and Shreck call into question the democratic nature of the network if producers are ill-informed (2006, 496).

A larger fair trade theory in general terms is not present (Moore 2004, 6). For the most part, fair trade is an action-oriented campaign that seeks to address the injustices of global capitalism. Geoff Moore argues that theoretical work in the economics, morals, sociology and development theory of fair trade is important in articulating the perspectives in which fair trade is successful and mission-focused.

Not all critique is as pessimistic. Smith notes that while the fair trade movement may never achieve an overturn in the global economy, fair trade best practices do generally assist poor producers (2009, 18). This is not a “all hope is lost” situation. Fair trade may still have a future if it were to bureaucratize correctly. Instead of succumbing to corporate powers, fair trade must be able to provide actual, structured, strong competition with the corporations who dominate the global capitalistic market. Likewise, a robust theory helps to understand how alternative trade systems such as fair trade can effectively engage in the current environment of a corporation-lead global economy.

Conclusion

Fair trade's influence can be seen in its recognition. Through its familiarity, fair trade's adoption of the SDGs provides awareness for the UN's sustainable development plans. As more stakeholders become aware, possibilities for growth and advocacy arise. Fair trade's adoption of the SDGs has great potential to inform and rally the average consumer to support sustainable development.

As the fair trade movement continues to expand, it faces the challenges of monetary loss in the steps, processes, and examinations between the producers and consumers. The increasing bureaucratic system creates additional barriers for the most marginalized producers and farmers of whom fair trade is seeking to support. This dilemma of over-assessment must be addressed by fair trade if they continue to adopt the detailed targets of the SDGs.

Moreover, the alignment of fair trade activities with the SDGs remains unclear. Further third-party investigation, not funded by Fairtrade, is required to evaluate the effectiveness of fair trade market standards on small-scale producers and their communities. As my research indicates, there is not agreement among scholars on if and how fair trade is improving the communities of Southern producers. Critics claim that fair trade's activities are nothing more than a marketing tool. Others who endorse fair trade argue for the benefit of having alternative trade organizations to dilute the powers of corporations and advocate for sustainable standards in the globalized market.

Meanwhile, more robust economic theories on alternative trade schemes will help society understand, engage and plan for a more just economic system. Future research centered on data from fair trade communities in the Global South will help develop economic theories on the feasibility of alternative trade initiatives. At this point can fair trade succeed in usurping corporations or will they need to partner with corporations and advocate from within? Ultimately, structural changes must occur with large multinational corporations in order to maintain and further sustainable development as outlined by the SDGs. Fair trade may continue advocating with its wide base of aware stakeholders, but will not be able to overcome the structural inequalities of the globalized market.

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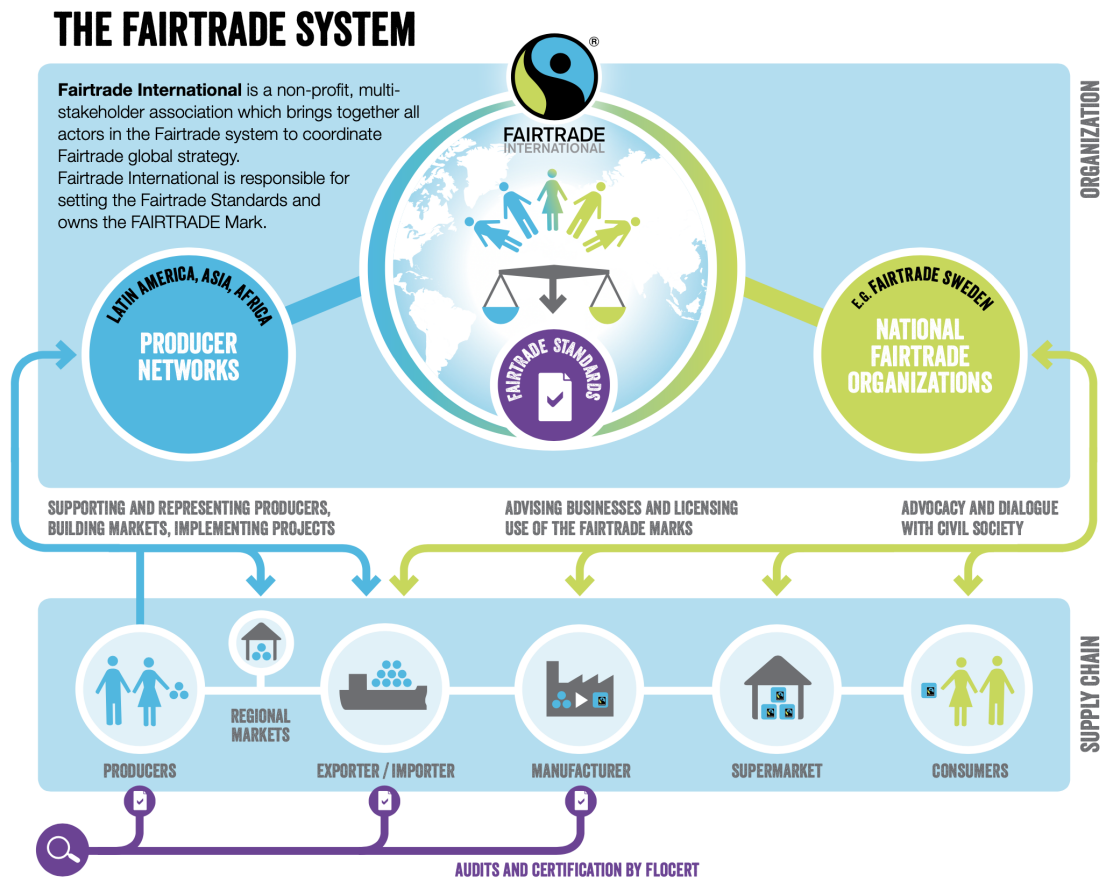
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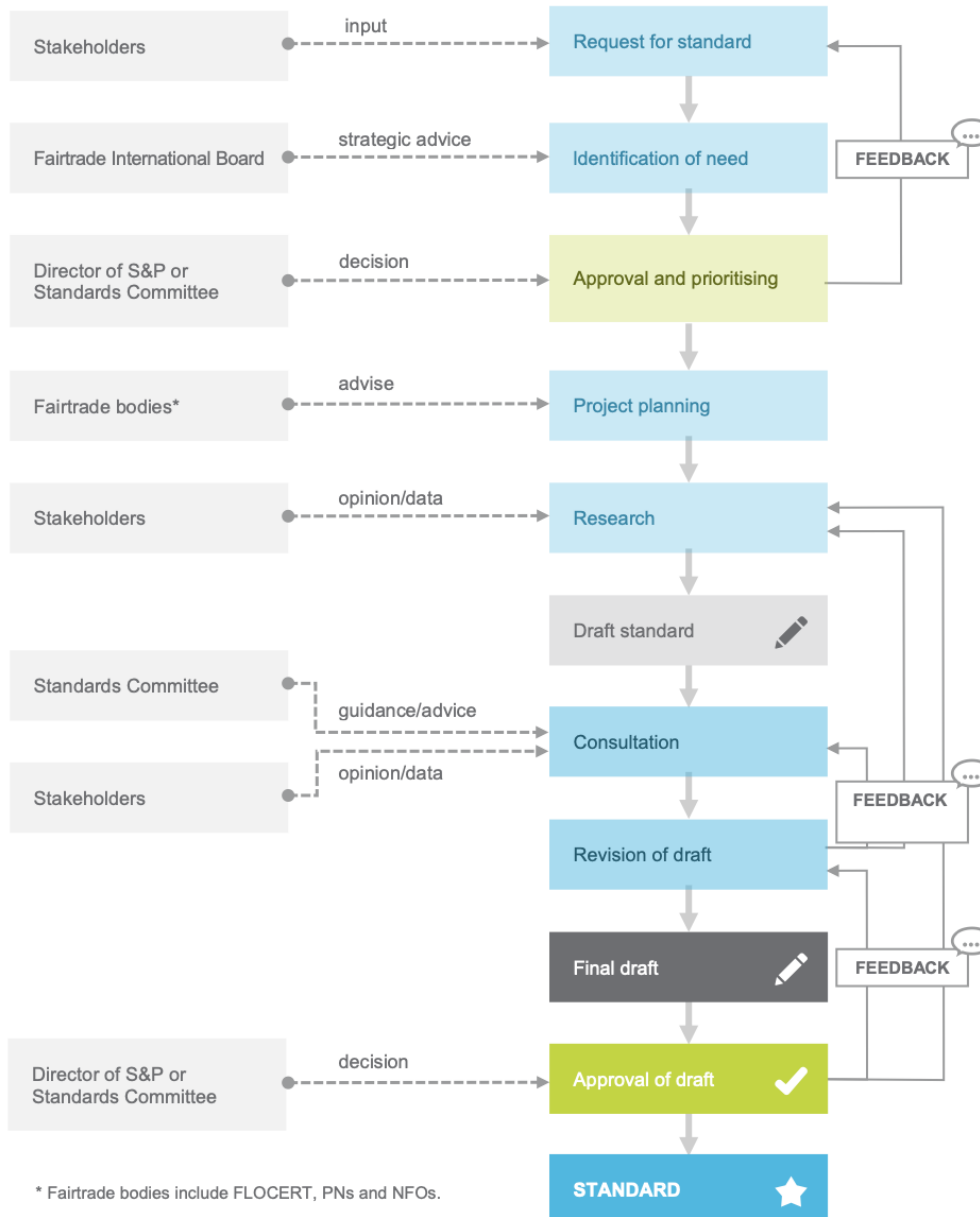
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Appendix A

This chart from Fairtrade International's website displays some of the steps required to sell a fair trade product ("Fairtrade System" 2021).



The creation of fair trade standards require several levels of research, advice, and revision. While this intricate standard setting process ensures well-constructed standards, it reflects a highly bureaucratic means of setting policy (“Standard Setting” 2021).



In the 2018-2019 and 2019-2020 Annual Report, Fairtrade International included these helpful graphs to show how farmers and workers spent their Fairtrade Premium needy members of funds.

Farmers and workers make their own priorities clear by how they spend their Fairtrade Premium funds. We've analyzed how their choices support the SDGs as well.

Based on Fairtrade Premium data from 2016-2017

Read more at <https://www.fairtrade.net/impact/fairtrade-premium-by-sdgs>.

GOAL 1 No Poverty

GOAL 15 Life on Land

GOAL 11 Sustainable Cities and Communities

GOAL 8 Decent Work and Economic Growth

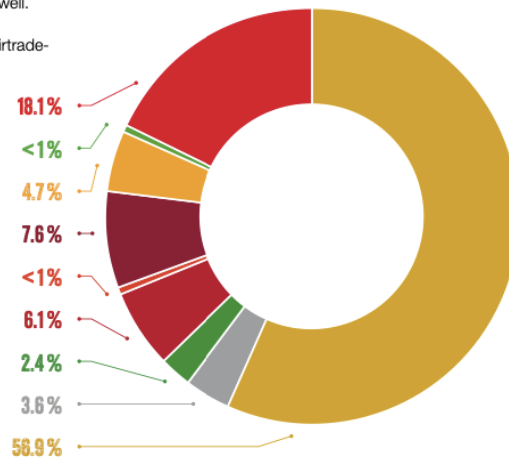
GOAL 5 Gender Equality

GOAL 4 Quality Education

GOAL 3 Good Health and Well-being

N/A

GOAL 2 Zero Hunger



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